

STATEMENT OF NET ASSETS

June 30, 2004
(with Comparative Totals for June 30, 2003)
(in Thousands)

| Assets | FY 2004 | FY 2003 |
|---|---------------------|---------------------|
| Investments, at Amortized Cost: | | |
| Repurchase Agreements | \$ 683,906 | \$ 903,626 |
| U.S. Agency Securities | 3,763,313 | 3,665,154 |
| U.S. Treasury Securities | <u>351,151</u> | <u>228,209</u> |
| Total Excluding Securities Lending & Securities Purchased or Matured But Not Settled | 4,798,370 | 4,796,989 |
| Securities Lending Investments, at amortized cost: | | |
| Repurchase Agreements | <u>298,799</u> | <u>143,941</u> |
| Total Investments (Settlement Date Basis) | 5,097,169 | 4,940,930 |
| Due from Brokers - Securities Purchased But Not Settled, at Amortized Cost: | | |
| U.S. Agency Securities | <u>449,477</u> | <u>199,679</u> |
| Total Investments (Trade Date Basis) | 5,546,646 | 5,140,609 |
| Interest Bearing Bank Deposits | 39,820 | 267,236 |
| Certificates of Deposit | 105,000 | 110,150 |
| Cash | | 10 |
| Interest Receivable | <u>4,747</u> | <u>4,516</u> |
| Total Other Assets | <u>149,567</u> | <u>381,912</u> |
| Total Assets | <u>5,696,213</u> | <u>5,522,521</u> |
| Liabilities | | |
| Accrued Expenses | 413 | 211 |
| Obligations Under Securities Lending Agreements | 298,799 | 143,941 |
| Investment Trades Pending Payable | <u>449,477</u> | <u>199,679</u> |
| Total Liabilities | <u>748,689</u> | <u>343,831</u> |
| Net Assets | <u>\$ 4,947,524</u> | <u>\$ 5,178,690</u> |

The accompanying notes are an integral part of these financial statements.